Risk Disclosure Statement for Trading OTC Precious Metals with Interactive Brokers (U.K.) Limited ("IBUK")

1. **Trading Of Precious Metals Is Risky And You May Lose More Than You Deposit:** Trading Precious Metals over-the-counter ("OTC") is highly risky due to the speculative and volatile markets in these products and the leverage (margin) involved. Trading these products may result in loss of funds greater than you deposited in the account. You must carefully consider your financial circumstances and your risk tolerance before trading Precious Metals, and you should not trade Precious Metals unless you are an experienced investor with a high risk tolerance and the financial capability to sustain losses if they occur.

2. **No Investment, Tax Or Trading Advice:** IBUK does not provide investment, tax or trading advice. Our service is "execution only", and we will only act on your instructions and not advise you on any transaction, nor will we monitor your trading decisions to determine if they are appropriate for you or to help you avoid losses. You should obtain your own financial, legal, taxation and other professional advice as to whether Precious Metals are an appropriate investment for you.

3. **Precious Metals Are Not Traded On A Regulated Exchange And Are Not Cleared On A Central Clearinghouse:** OTC Precious Metals transactions are transactions with IBUK as your counterparty, and are not traded on a regulated exchange and are not cleared on a central clearinghouse. Thus, exchange and clearinghouse rules and protections do not apply to trading OTC Precious Metals with IBUK.

4. **OTC Precious Metals Transactions Are "Unallocated", Meaning IBUK Will Not "Allocate" To You Nor Segregate On Your Behalf Specific Lots Of Precious Metal:** Rather, IBUK has custodial arrangement(s) with third party Precious Metals Custodians for storage of unallocated Precious Metals on a net basis for IBUK. Precious Metals held in an unallocated account are not segregated from IBUK's or its Precious Metals Custodian's assets, and Precious Metals credited to an unallocated account represent only the dealer's obligation to deliver Precious Metals and do not constitute ownership of any specific lots of Precious Metals.

5. **You Are Subject To Counterparty Credit Risk On Precious Metal Trades:** Since IBUK is the counterparty to your Precious Metal trades, you are exposed to the financial and business risks, including credit risk, associated with dealing with IBUK. That is, in the unlikely event that IBUK were to become insolvent, it may be unable to meet its obligations to you.
6. **Precious Metals Markets Are Speculative And Volatile:** Markets for Precious Metals can be highly volatile. The prices of Precious Metals will be influenced by, among other things, the performance of the economy as a whole; the changing supply and demand relationships for the metal; governmental, commercial and trade programs and policies; interest rates; inflation; national and international political and economic events; and the prevailing psychological characteristics of the relevant marketplace.

7. **Example of Leverage and Margin Losses on Precious Metals:** Using leverage or margin means that you may lose more than you have actually deposited in your account if the price of the Precious Metal moves significantly against you. For example, if you purchase a position in a Precious Metal at a cost of £100,000, and if the Margin Requirement is 10%, you will be required to deposit £10,000 as margin. If the value of the Precious Metal position then drops to £80,000, you will have lost your original £10,000 deposit, plus an additional £10,000, which you will be required to pay to IBUK (this excludes commissions, spreads and financing costs).

8. **IBUK Has the Right to Liquidate Your Positions Without Notice In the Event of a Margin Deficiency:** You must monitor your account so that at all times the account contains sufficient equity to meet IBUK's Margin Requirements. IBUK does not have to notify you of any failure to meet Margin Requirements prior to IBUK exercising its rights under its Agreement with you, including but not limited to its right to liquidate positions in your account(s). **Unlike the practice of some other brokers and dealers who allow "grace periods" for margin compliance, IBUK generally will not issue margin calls; generally will not allow a grace period for you to meet intraday or other margin deficiencies; and is authorised to liquidate account positions immediately in order to satisfy Margin Requirements, without prior notice.**

You cannot assume that IBUK's general policy to liquidate positions with a margin deficiency will prevent you from losing more than you have deposited with IBUK. Among other things, markets may "gap" down and IBUK may not be able to close out at a price that would avoid losses greater than your margin deposit. Likewise, IBUK may in its sole discretion delay or decide not to liquidate a position with a margin deficit. **If you wish to avoid further losses on any Precious Metals position, you must close out the position yourself and not rely on IBUK to do so.**

9. **IBUK Has the Right to Change or Increase Its Margin Requirements At Any Time:** In order to protect the firm and our clients, IBUK may modify Margin Requirements for any or all clients for any open or new positions at any time, in IBUK's sole discretion. If we increase our margin requirements, it may prevent you from adding positions or hedging existing positions. If margin requirements increase on your existing Precious Metals, you will have to deposit additional equity in advance or your positions may be liquidated.

10. **Precious Metals Carry Liquidity Risk:** IBUK is not obligated to provide quotes for any Precious Metal at any time, and IBUK does not guarantee the continuous availability of quotations or trading for any Precious Metal. **IBUK may in its sole discretion cease quoting Precious Metals and/or cease entering new Precious Metal transactions at any time.**

11. **You Will Pay Commissions, Spreads And Financing Charges Among Other Costs Of Trading Precious Metals:** IBUK will charge commissions on your Precious Metal trades. In addition, you will
pay a spread on your Precious Metal transactions, meaning that the price you pay to buy a Precious Metal generally will be some amount higher than the theoretical market value of the Precious Metal and the price you receive when you sell a Precious Metal generally will be some amount lower than the theoretical market value of the Precious Metal. You will also pay carrying fees on your long Precious Metal positions and borrowing fees on your short positions. All of these costs will lower the total return (or increase the loss) on your investment in the Precious Metal.

12. **Risk of Foreign Currency Fluctuation:** When you deal in a Precious Metal that is denominated in a currency other than the base currency or currency you have on deposit in your IBUK account, all margins, profits, losses and financing credits and debits in relation to that Precious Metal are calculated using the currency in which the Precious Metal is denominated. Thus, your profits or losses will be further affected by fluctuations in the exchange rates between the account currency and the currency in which the Precious Metal is denominated. IBUK applies a margin "haircut" to reflect this risk, and so the Margin Requirement on the Precious Metal will effectively increase.

13. **Risk of Interest Rate Fluctuation:** Interest rates fluctuate, which will affect the carrying and borrowing fees you will pay on your Precious Metal positions.

14. **Risk of Regulatory and Taxation Changes:** Changes in taxation and other laws, government, fiscal, monetary and regulatory policies may have an adverse effect on the value of your Precious Metals, the tax you pay on your Precious Metals, and the total return on your Precious Metals.

15. **IBUK Has the Right to Correct Trade Errors:** IBUK can cancel, adjust or close out Precious Metal transactions after confirmation to you to correct errors, including but not limited to technical errors in IBUK’s platform and Precious Metal transactions not reasonably related to the correct market price.

16. **You May Be Unable To Short Precious Metals Or May Suffer Forced Closeout Of An Open Short Position:** Depending on regulatory restrictions, market conditions or other factors, short sales of Precious Metals may or may not be allowed. Further, IB reserves the right, at any time in its sole discretion, to close out your open short Precious Metal transaction by requiring you to buy in the Precious Metal or by IBUK issuing order(s) for your account to buy in the Precious Metal.

17. **Risk Of Disruption Or Interruption Of Access To IBUK's Electronic Systems And Services:** IBUK relies on computer software, hardware and telecommunications infrastructure and networking to provide its services to Clients, and without these systems IBUK cannot provide the services. These computer-based systems and services such as those used by IBUK are inherently vulnerable to disruption, delay or failure, which may cause you to lose access to the IBUK trading platform or may cause IBUK not to be able to provide Precious Metal quotations or trading, or may negatively affect any or all aspects of IBUK’s services. Under the IBUK Trading Agreement, you accept the IBUK systems and services "As-Is" and our liability to you is limited. You must also maintain alternative trading arrangements in addition to your IBUK account for execution of your orders in the event that IBUK's electronic system and services are unavailable.